



RECEIVED

AUG 7 4 51 PM '01

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

August 7, 2001

Hon. Stephen W. Williams, Acting Secretary
Postal Rate Commission
1333 H. Street, NW, Suite 300
Washington DC 20268-0001

Dear Mr. Williams:

This provides an update on a recent enhancement in the Revenue, Pieces and Weight (RPW) reporting system. Starting in PQ 1, FY 2002, the current laptop computer RPW data collection software will be converted to a new approach in which more emphasis will be placed on capturing mailpiece characteristics than is currently done (e.g., endorsements, indicia types, postage appearing on the mailpieces, etc.). The current RPW software relies on a data collector's knowledge to assign a sampled mailpiece to a rate category. Data collectors are trained to make such assignments using their knowledge of mail endorsements, required weight per piece, etc. In the new RPW data collection software, the data collectors will record an array of mailpiece characteristics for each sampled piece. These data will then be uploaded to a Postal Service mainframe computer, and software will use the recorded characteristics to assign the observation of the mailpiece to a rate category.

It is expected that this new approach (referred to as Characteristics RPW or CRPW) will ensure uniformity in RPW mailpiece classification, will be easier to teach to data collection staff, and, ultimately, will facilitate the long-run goal of eliminating the first stage panel of the RPW sample (i.e., the fixed set of offices eligible for sampling).

If the Commission has any questions regarding the improved methodology, please contact me, and I will arrange to provide more information.

Sincerely,

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking